ELDER ABUSE RHETORIC AND RETIREMENT VILLAGE FINANCIAL PROTECTIONS

The Policy Inconsistency and Its Disproportionate Impact on Primary Family Carers

Executive Summary

New Zealand policy and public discourse place strong emphasis on protecting older people from elder abuse. At the same time, a contractual model operating at scale — the retirement village Occupation Right Agreement (ORA) with its Deferred Management Fee (DMF) structure — has transferred substantially larger aggregate sums from older people's estates with slower and more limited regulatory response. This paper examines the resulting inconsistency in policy priority and its practical effects on primary family carers, who carry the day-to-day responsibility and legal exposure while systemic financial extraction receives comparatively weaker immediate remedies.

1. The Scale Disparity

Reported Interpersonal Elder Abuse

Official data from Health New Zealand and Age Concern indicate approximately 2,200 reported cases of elder abuse per year, with estimates that 70–80% of cases go unreported. Financial abuse constitutes a minority portion of these cases (typically 20–25% in available datasets). These incidents — often involving family members, paid carers, or people in positions of trust — are serious and warrant robust intervention.

Retirement Village Financial Extraction

The retirement village sector houses over 53,000 older New Zealanders. The dominant financial model requires a large upfront capital payment (commonly $500,000–$900,000+), followed by a Deferred Management Fee typically structured as 20–30% of the entry price (often 7.5% per year, capped after four years). On a $600,000 unit, this routinely extracts $120,000–$180,000+ per resident over the period of occupancy, with operators also retaining capital gains in many cases.

Across tens of thousands of residents over multiple years, the aggregate wealth transferred from older people and their estates to operators runs into hundreds of millions of dollars. Individual DMF amounts frequently exceed the dollar value of most reported interpersonal financial abuse cases. Yet this systemic transfer has historically operated with limited regulatory constraint on repayment timing and fee structures.

2. Rhetoric Versus Policy Response

Government ministers and agencies routinely issue strong public statements condemning elder abuse and committing to the protection of vulnerable older people. In parallel, the retirement village financial model operated for two decades with minimal rebalancing of risk between residents and operators. A major public petition (over 41,000 signatures) and sustained media coverage eventually prompted a government review. The resulting reforms, announced in December 2025, introduce a 12-month repayment cap and interest provisions after six months — but these apply only to new Occupation Right Agreements signed after a transition period. They are explicitly non-retrospective.

This creates a clear asymmetry: interpersonal abuse by individuals triggers relatively swift rhetorical and enforcement attention, while a contractual model that moves far larger

aggregate sums from older people's estates receives slower, partial, and forward-only remedies. The gap between the volume of political rhetoric on elder protection and the pace of structural reform on the ORA model is observable and documented.

3. Disproportionate Burden on Primary Family Carers

Primary family carers — typically an adult child who has assumed day-to-day responsibility for an older parent's welfare, property, and medical navigation — operate under a distinct set of pressures. They carry:

- Ongoing practical and emotional labour with limited funded respite or recognition.
- Legal exposure when making decisions about property, care placement, or finances, especially in the absence of clear Enduring Power of Attorney documentation.
- Scrutiny from secondary parties (siblings, neighbours, professionals) who can offer commentary or exert influence with substantially lower personal accountability or day-to-day load.
- The practical difficulty of sustaining home-based care when formal support systems are under-resourced.

By contrast, moving a parent into institutional care shifts much of the day-to-day operational risk to the facility, while the primary financial extraction (DMF and repayment delays) is borne by the resident's estate. The current policy weighting — heavy scrutiny and limited practical support for family carers, slower remedies for systemic extraction — creates an uneven risk distribution that makes sustained family caregiving more burdensome than it needs to be.

4. Incentive Effects on Care Pathways

Policy does not need to be deliberately conspiratorial to produce predictable effects. When family-based care carries high personal exposure, limited structural support, and ongoing secondary-party commentary, while institutional pathways offer clearer operational delegation (despite known financial extraction), rational families face distorted incentives. Many older people express a strong preference to remain at home. The practical barriers — workforce shortages, funding gaps, and the legal/administrative complexity of supporting a primary carer — make that preference harder to honour than policy rhetoric suggests.

The combination of slow reform on ORA financial protections and uneven support for primary carers contributes to a structural tilt toward institutional solutions. This is not primarily a story of individual moral failure; it is a story of misaligned policy settings that increase the cost (financial, legal, emotional) of choosing family care.

Recommendations

To reduce the current inconsistency between elder protection rhetoric and actual policy outcomes, the following practical steps would strengthen alignment:

1. **Repayment reform with teeth:** Introduce a 6-month maximum repayment period with interest accruing after 3 months for new agreements, and apply equivalent or hardship-based provisions retrospectively for existing residents moving into residential care. Contractual stability arguments should not indefinitely shield a model that has already extracted substantial value from a vulnerable cohort.
2. **Funded primary carer support:** Resource respite care, navigation assistance, and limited financial recognition for primary family carers at a level that makes

sustained home-based care a realistic option rather than a heroic one. Current support remains patchy and often crisis-driven.

3. **Legal clarity for primary carers:** Streamline pathways for primary carers to obtain decision-making authority (including simplified EPOA processes and clearer court guidance) so that the absence of prior documentation does not automatically expose the main carer to secondary-party challenges or institutional default.
4. **Consistent accountability standards:** Apply equivalent urgency and transparency requirements to systemic financial extraction mechanisms as are applied to interpersonal elder abuse. Scale of harm, not category of actor, should drive priority.

Conclusion

A society that claims to value its elders should apply consistent standards of protection. Interpersonal abuse by individuals must be addressed vigorously. At the same time, a legally sanctioned contractual model that has transferred hundreds of millions of dollars from older people's estates over two decades deserves remedies of comparable urgency and scope — including serious consideration of retrospective or hardship-based protections for those already inside the system.

The current asymmetry — loud rhetoric on one form of harm, slower and partial action on a larger-scale systemic transfer, combined with limited practical scaffolding for primary family carers — produces predictable distortions. It increases the personal cost of choosing family care and tilts the field toward institutional pathways where wealth extraction is structurally embedded. Closing that gap is both a policy and a credibility issue.

This paper draws on publicly available data from Health New Zealand, Age Concern, Consumer NZ, the Retirement Villages Association, the Retirement Commission, and studies on informal caregiving burden. It is offered as a policy critique for consideration by elected representatives and officials responsible for aged care and consumer protection settings.